



Arnold Schwarzenegger
Governor

July 12, 2010
22M:393:mem:1076

Mr. Jeffrey Rowe, Director
Stanislaus County Alliance Worknet
251 E. Hackett Road, C-2
P.O. Box 3389
Modesto, CA 95358-0031

Dear Mr. Rowe:

AMERICAN RECOVERY AND REINVESTMENT ACT
PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Stanislaus County Alliance Worknet's (Stanislaus AW) activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Ms. Molly Maloney from February 22, 2010, through February 26, 2010.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Stanislaus AW with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with Stanislaus AW representatives, service provider staff, and ARRA participants. In addition, this report includes the results of our review of selected case files, Stanislaus AW's response to Sections I and II of the ARRA Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

We received your response to our draft report on June 2, 2010, and reviewed your comments and documentation before finalizing this report.

BACKGROUND

For PY 2009-10, Stanislaus AW was allocated: \$2,879,325 to serve 678 adult participants; \$2,987,307 to serve 453 youth participants; and \$3,108,261 to serve 701 dislocated worker participants.

For the quarter ending December 2009, Stanislaus AW reported the following expenditures for its ARRA funded activities: \$328,448 for adult participants; \$2,683,523 for youth participants; and \$679,477 for dislocated worker participants. In addition, Stanislaus AW reported the following enrollments: 78 adult participants; 925 youth participants; and 138 dislocated worker participants. We reviewed case files for 50 of the 266 adult and dislocated worker participants enrolled in ARRA funded activities as of February 22, 2010.

PROGRAM REVIEW RESULTS

We concluded that, overall, Stanislaus AW is meeting applicable ARRA requirements.

We identified a condition that may become a compliance issue if not addressed. Specifically, a youth service provider is utilizing the Test of Adult Basic Education (TABE) to determine youth basic skills deficiency. While the youth service provider policy, as communicated at the time of the review, is to use TABE Form 7 as the pre-test and TABE Form 8 as the post-test, there were instances we observed where Form 8 was indicated as the pre-test on two exam sheets, while on two other exam sheets no form number was indicated. We suggested that Stanislaus AW work with their youth service providers to ensure that it is clear in every case which pre-test and post-test is used.

In its response, Stanislaus AW stated that they have notified their youth service providers/contractors of this concern through their Contractor Alert communication system. In the Alert, Stanislaus AW provided details of the problem, a requirement that all contractors should review all current client (PY 2009-10) files and correct any errors relating to this subject. Prior to the Alert, Contract Managers had contacted those service providers utilizing the TABE assessment instrument to notify them, instructing them to pull all of their customers' files, review and correct all applicable errors corresponding to those listed in the report. A copy of the Alert was provided. The Stanislaus AW's response adequately addressed our concerns and no further action is necessary.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is Stanislaus AW's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and

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applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain Stanislaus AW's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Roni Armstrong, MIC 50
Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45